

Next month, Comcast is launching an exciting initiative in Colorado that will enable us to provide many more high-definition channels, more ethnic programming and more bandwidth for high speed data enhancements. In order to do this, Comcast will be upgrading its standard channel lineup—which includes ESPN, Disney, A&E and others—to a digital transmission format.

Digital transmission allows for several benefits. The video and audio qualities of a digital channel are superior to analog channels. Also, by using advanced compression technology, making this conversion from analog to digital transmission allows us to transmit up to 15 standard high-definition digital channels or 2-3 high-definition digital channels in the same amount of bandwidth space now required by 1 analog channel. That results in more content available to customers.

Comcast customers who will not be affected by this conversion are those who currently subscribe only to our most basic tier of service (about 10% of our customers). We will continue to transmit those channels, including public, education and government (PEG) access channels, in analog format.

This conversion will affect Comcast customers who subscribe to standard or digital cable and have a TV connected to our service without a digital box. While all of our current digital customers already have a digital box connected to one or more of their TV sets, they may have other sets in their homes without a box. In those cases, they will need a digital device for those additional TV sets to continue to receive all of the programming they currently get from Comcast.

To ease this transition to digital service, affected customers will get up to three free digital devices from Comcast to connect to their television sets. We believe this will address the needs of the vast majority of our customers.

We expect the programming changes related to this digital conversion will begin in mid-March and will continue through October on an area-by-area basis. However, in order to minimize inconveniences for our affected customers, starting in late January we will ask our technicians who are in our customers' homes on installation or repair calls to offer to install the necessary digital devices on those TV sets requiring them. This will eliminate the need for our customers to either install this equipment themselves at a later date (even though it's relatively simple to do) or schedule another appointment in the future.

As this process continues, we will use a variety of media to communicate frequently with customers who are affected by this conversion about what they need to do. We will also continue to communicate with you and other elected officials, as well as key local government staffers, about this project as it progresses throughout the year.

As noted earlier, this transition will result in more choices and more high-definition programming for our customers. It is part of ongoing technological improvements, including more bandwidth for high speed data enhancements, across Colorado. Like any change, this

transition may prompt questions among some customers. We will be responsive to those, and we are committed to ensuring a smooth transition that results in a better experience for our customers.

In the meantime, if you have any questions, please do not hesitate to email me or call me.

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